



EXHIBIT 100
FILE 000000

SCANNED
Date 10-20-06

Boys & Girls Clubs of Brigham City

Financial Statements

December 31, 2005

Boys & Girls Clubs of Brigham City

Financial Statements

December 31, 2005

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COOK MARTIN POULSON, P.C.

Certified Public Accountants

Independent Auditors' Report

To The Board of Directors
Boys & Girls Clubs of Brigham City
Brigham City, Utah

We have audited the accompanying statements of financial position of Boys & Girls Clubs of Brigham City (a nonprofit organization) as of December 31, 2005 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Brigham City as of December 31, 2005 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2006 on our consideration of Boys & Girls Clubs of Brigham City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Logan, Utah

August 2, 2006

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Boys & Girls Clubs of Brigham City

Statement of Financial Position

December 31, 2005

Assets

Current Assets

Cash and Cash Equivalents	\$ 139,168
Marketable Securities	1,899
Grants Receivable	56,128
Employee Receivable	955
Total Current Assets	<u>198,150</u>

Property and Equipment

Property and Equipment	749,882
Accumulated Depreciation	<u>(297,093)</u>
Property and Equipment – Net	<u>452,789</u>

Total Assets	<u><u>\$ 650,939</u></u>
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Liabilities and Net Assets

Current Liabilities

Accrued Payroll and Related Liabilities	\$ <u>8,944</u>
Total Current Liabilities	<u>8,944</u>

Total Liabilities	<u>8,944</u>
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Net Assets

Unrestricted	<u>641,995</u>
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Total Liabilities and Net Assets	<u><u>\$ 650,939</u></u>
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See accompanying notes.

Boys & Girls Clubs of Brigham City
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2005

Change in Unrestricted Net Assets

Revenue and Support

Grants and Contributions	\$ 775,251
Rental Income	30,060
Other Income	13,893
Program Dues	9,957
Interest Income	<u>3,391</u>
Total Revenue and Support	<u><u>832,552</u></u>

Expenses

Program Expenses	734,611
General and Administrative	<u>62,638</u>
Total Expenses	<u><u>797,249</u></u>

Other Income

Unrealized (Loss) on Marketable Securities	<u>(219)</u>
	<u>(219)</u>

Net Change in Unrestricted Net Assets 35,084

Unrestricted Net Assets – Beginning of Year 606,911

Unrestricted Net Assets – End of Year \$ 641,995

See accompanying notes.

Boys & Girls Clubs of Brigham City

Statement of Functional Expenses

For the Year Ended December 31, 2005

	Program Expenses	General and Administrative	Total
Payroll and Related Expenses	\$ 224,238	\$ 53,832	\$ 278,070
Outside Services	131,921	-	131,921
Program Supplies	129,624	-	129,624
Depreciation	65,312	-	65,312
Utilities	41,665	-	41,665
Insurance	35,621	-	35,621
Equipment Rental and Maintenance	29,118	-	29,118
Facility Maintenance	23,143	-	23,143
Staff Development	21,982	-	21,982
Professional Fees	8,333	6,638	14,971
Conferences, Conventions and Meetings	11,910	-	11,910
Printing and Publications	3,157	-	3,157
Office Supplies	3,043	-	3,043
Miscellaneous	2,579	-	2,579
Contributions	2,135	-	2,135
Postage and Shipping	757	-	757
Bank Service Charges	73	-	73
Business Operations	-	2,168	2,168
Total Expenses	\$ 734,611	\$ 62,638	\$ 797,249

See accompanying notes.

Boys & Girls Clubs of Brigham City
Statement of Cash Flows
For the Year Ended December 31, 2005

Cash Flows from Operating Activities	
Net Change in Unrestricted Net Assets	\$ 35,084
Adjustments to Reconcile Net Change in Net Assets	
To Cash from Operating Activities:	
Depreciation	65,312
Change in Operating Assets and Liabilities:	
Grants Receivable	(40,329)
Employee Receivable	3,035
Accrued Payroll and Related Liabilities	(14,081)
Net Cash from Operating Activities	<u>49,021</u>
Cash Flows from Investing Activities	
Purchase of Marketable Securities	(1,899)
Purchase of Property and Equipment	(83,266)
Net Cash from Investing Activities	<u>(85,165)</u>
Net Change in Cash	(36,144)
Cash and Cash Equivalents – Beginning of Year	<u>175,312</u>
Cash and Cash Equivalents – End of Year	<u><u>\$ 139,168</u></u>

See accompanying notes.

Boys & Girls Clubs of Brigham City

Notes to Financial Statements

December 31, 2005

Note 1 – Summary of Significant Accounting Policies

Nature of Activities – Boys & Girls Clubs of Brigham City (the Organization) is a non-profit volunteer organization working with public service organizations to encourage support for programs that target children from an at-risk environment in Box Elder County. The Organization receives grants from various government agencies and private foundations.

Basis of Accounting – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. Support is reported when pledged and is considered to be available for unrestricted use unless restricted by the donor. Donor restricted support is reported when pledged as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a temporary restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization has no temporarily or permanently restricted net assets as of the balance sheet date.

Use of Estimates – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Donated Materials, Equipment, and Services – Donated materials, equipment, and services are used in most of the programs and are reflected as contributions in the accompanying statements at their estimated fair value on the date of contribution.

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of their time is not reflected in these financial statements because it is not susceptible to objective measurement and valuation.

Income Taxes – The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income during the period presented.

Operating Indicator – For purposes of the cash flow statement, operating activities consist of unrestricted revenue and support and expenses as reported on the statement of activities.

Cash and Cash Equivalents – The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Boys & Girls Clubs of Brigham City

Notes to Financial Statements (Continued)

December 31, 2005

Note 1 – Summary of Significant Accounting Policies (Continued)

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment – Property and equipment is stated at cost or, if donated, at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 3-15 years. Expenditures for repairs and maintenance are charged to expense as incurred. The Organization capitalizes all property, equipment and improvements which have an acquisition value of \$500 or more.

Long-Lived Assets – Long-lived assets to be held and used are considered for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed are reported at the lower of carrying amount or fair value less cost to sell. There were no significant impairments reported in these statements.

Functional Allocation of Expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2 – Contingencies

The Organization operates programs funded by federal and state contracts and grants that are renewed annually depending on the availability of funds and the Organization's compliance with the requirements of the contracts and grants. Therefore, annual funding is not guaranteed.

Note 3 – Concentration of Credit Risk for Cash Held In Bank

The Organization maintains cash balances in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2005, \$54,000 of the Organization's cash balances were not insured.

Note 4 – Marketable Securities

The Organization has equity securities that were obtained through donations. The fair value approximates the carrying value at December 31, 2005. No securities were sold during the year.

Boys & Girls Clubs of Brigham City

Notes to Financial Statements (Continued)

December 31, 2005

Note 5 – Property and Equipment

Property and equipment consist of the following:

Buildings and Improvements	\$ 460,254
Furniture, fixtures, and equipment	243,378
Automobiles	<u>46,250</u>
Total Depreciable Property and Equipment	749,882
Less accumulated depreciation	<u>(297,093)</u>
Net Property and Equipment	<u>\$ 452,789</u>

Note 6 – Leases

The Organization has an operating lease for the building it occupies. Future minimum lease payments of \$1 per year for 10 years of a total of \$10.

The fair market value has not been estimated or included in the financial statements.

Boys & Girls Clubs of Brigham City

Single Audit Reporting Package

December 31, 2005

Boys & Girls Clubs of Brigham City
Single Audit Reporting Package
December 31, 2005

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COOK MARTIN POULSON, P.C.

Certified Public Accountants

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To The Board of Trustees of
Boys & Girls Clubs of Brigham City

We have audited the financial statements of Boys & Girls Clubs of Brigham City (a nonprofit organization) as of and for the year ended December 31, 2005 and have issued our report thereon dated August 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Boys and Girls Clubs of Brigham City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect Boys & Girls Clubs of Brigham City's ability to report the financial condition of the Organization in accordance with government standards. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005-1, 2005-2, 2005-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys & Girls Clubs of Brigham City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Compliance and Other Matters - Continued

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cook Martin Poulson, PC

Logan, Utah
August 2, 2006



COOK MARTIN POULSON, P.C.

Certified Public Accountants

Independent Auditor's Report on Compliance with Requirements
Applicable to each Major Program and Internal Control over Compliance
Required by OMB Circular A-133

To The Board of Trustees of
Boys & Girls Clubs of Brigham City

Compliance

We have audited the compliance of Boys & Girls Clubs of Brigham City with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, Boys & Girls Clubs of Brigham City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control over Compliance

The Organization's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all such internal control matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of ABC Organization as of and for the year ended September 30, 2005, and have issued our report thereon dated August 2, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cook Martin Poulson, PC

Logan, Utah
August 2, 2006

Boys & Girls Clubs of Brigham City
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

Federal Grantor / Pass Through Grantor / Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
Carol M. White Physical Education	84.215F	N/A	\$ 239,703
Project LEARN	84.184B	N/A	154,141
Developing, Testing, and Demonstrating Promising New Programs	84.unkown	N/A	80,601
Technology Literacy	84.4Z17	N/A	55,082
Kids-At-Hope Prevention Project	84.4J07	N/A	32,916
Boys & Girls Clubs of America	84.OJP 2005 - 12603	N/A	22,500
Compassion Capital Fund (DDF) Targeted Capacity Building Program - Youth	93.009	N/A	<u>10,000</u>
			<u><u>\$ 594,943</u></u>

See notes to schedule of expenditures of federal awards.

Boys & Girls Clubs of Brigham City
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boys & Girls Clubs of Brigham City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2006 *Catalog of Federal Domestic Assistance*.

Note 3 - Sub recipients

The Organization awarded no amounts to sub recipients.

Boys & Girls Clubs of Brigham City
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
	<u>Yes</u>	<u>No</u>
Material weaknesses identified in internal control over financial reporting?		X
Reportable conditions identified not considered to be material weaknesses?	X	
Noncompliance material to the financial statements noted?		X

Federal Awards

Material weaknesses identified in internal control over major programs?	X
Reportable conditions identified not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance Circular A-133 (section .510{a}).	X

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Carol M. White Physical Education Project LEARN	84.215F 84.184B
Dollar Threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee	X

Other Matters

Auditee's summary schedule of prior year audit findings required to be reported in accordance with Circular A-133 (section .315{b}).	X
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Boys & Girls Clubs of Brigham City
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Prior Year Audit Findings

The Organization did not qualify to need an audit in compliance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* for the year ended December 31, 2004.

The Organization did qualify to need an audit in compliance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* for the year ended December 31, 2003. The following are the findings from the year ended December 31, 2003.

2003-1 Pay Rates

Condition: Some employee pay rates were not indicated in their personnel files.

Status: Corrected, employee pay rates are documented.

2003-2 Petty Cash Fund

Condition: In some instances the purchasing policy is being circumvented through the petty cash system. The policy states that no check over \$200 shall be written. It was noted that checks were being written out to the same vendor on the same date when the purchase exceeded the \$200 limit.

Status: Corrected, during the audit of cash this item was not found to be deficient.

2003-3 General

Condition: It was noted that grant monies designated for the symphony were given to that organization without going through the accounting records of the Boys & Girls Clubs of Brigham City.

Status: There was not an equivalent pass-through circumstance during the year ended December 31,

2003-4 FDIC Coverage

Condition: While auditing cash, it was noted that the Organization had more than \$100,000 in one financial institution, leaving some funds uninsured.

Status: Not corrected, there is still money in excess of FDIC limits deposited at one financial institution.

Boys & Girls Clubs of Brigham City
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Current Year Audit Findings

2005-1 FDIC Coverage

While auditing cash, it was noted that the Organization had more than \$100,000 in one financial institution, leaving some funds uninsured.

2005-2 Accounting Records

During the course of performing the audit it was discovered that original accounting records were being held off-site by the administrator of the Community Development Block Grant (CDBG). This could potentially increase the risk of misuse of funds. All original accounting records should be kept on-site where others can see what is being done.

2005-3 Related Party Rent

During the course of the audit it came to our attention that discounted rent was being charged to a profit company which was being run by an individual who also was on the Board of Directors for the Boys and Girls Clubs of Brigham City.



BOYS & GIRLS CLUBS
OF BRIGHAM CITY

Corrective Action Plan

The following corrective action plan has been prepared as required by the U.S. Office of Management and Budget Circular A-133.

FDIC Coverage

Condition: While auditing cash, it was noted that the Organization had more than \$100,000 in one financial institution, leaving some funds uninsured.

Corrective Action: JeuneElle Thompson, the Executive Director, will make sure personally the no one financial institution has more than the FDIC insured limit without pledging assets to the Organization. This action will take place by October 1, 2006.

Accounting Records

Condition: During the course of performing the audit it was discovered that original accounting records were being held off-site by the administrator of the Community Development Block Grant (CDBG). This could potentially increase the risk of misuse of funds. All original accounting records should be kept on-site where others can see what is being done.

Corrective Action: All original accounting records will be maintained on-site. If there is a need for work to be performed off-site a copy of the needed documents and/or computer file will be made for the off-site use.

Related Party Rent

Condition: During the course of the audit it came to our attention that discounted rent was being charged to a profit company which was being run by an individual who also was on the Board of Directors for the Boys and Girls Clubs of Brigham City.

Corrective Action: JeuneElle Thompson, the Executive Director, will review the rental contracts currently in place and any new rental contracts that the Boys & Girls Clubs of Brigham City enter into to ensure that only rentals to non-profit organizations occur.

Sincerely,

JeuneElle Thompson
Executive Director

Administration

271 N 100 W
Brigham City, UT 84302
Tel 435-723-6224 ext 106
Fax 435-723-6221
www.bgcbe.org

Boys & Girls Club of Tremonton

Adele C. Harris
Intermediate School
Program Site
515 N 800 W
Tremonton, UT 84337
Tel 435-723-6224 ext 102

Boys & Girls Club of Brigham City

Adele C. Young
Intermediate School
Program Site
830 Law Drive
Brigham City, UT 84302
Tel 435-723-6224 ext 102

Boys & Girls Club of Brigham City

Club House Site
271 N 100 W
Brigham City, UT 84302
Tel 435-723-0887 ext 101



A United Way Agency